

## STRATEGIC INTELLIGENCE COST REPORT

1. Purpose

The purpose of this report is to provide an "order of cost" of those activities which derive from a national and/or departmental requirement for intelligence and at the way in which "intelligence money" is being utilized among the various types of basic intelligence activities as shown in the format. This estimated cost data should cover all intelligence activities which, together, comprise the foreign intelligence effort of the U. S. which is subject to the coordinating authority of the DCI and the cognizance of the U. S. Intelligence Board. This report is intended solely as a statistical report, inasmuch as it is recognized that judgment must enter into the derivation of costs according to the activities outlined.

2. Financial Considerations

The report will include two basic types of cost data on an obligation basis:

- a. Direct Obligations.
- b. Indirect Obligations.

(a) Direct obligations: are those obligations actually incurred by an intelligence command, bureau or element thereof, or any comparable intelligence organization which actually performs the intelligence activity involved, receives direct funding and can identify the obligation with the intelligence activity involved. In essence, such obligations are those under the direct control of an intelligence organization (CIA and NSA) or an intelligence element of a larger organization such as AF Security Service/Air Force, ACSI/Army, G-2, USAREUR, ~~DIR~~/State, etc. *INR*

(b) Indirect obligations: are those obligations which appear in non-intelligence commands, bureaus, services, or other comparable organizations as a part of their own budget operations but can be identified as being in direct support of an intelligence activity, e.g., R & D projects performed for foreign intelligence purposes.

~~Any difficulties~~ with identification of elements affecting costs should be explained in a footnote statement.

3. The following attachment represents the instructions and definitions for preparing Exhibit A.

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INSTRUCTIONS FOR PREPARATION OF EXHIBIT A

A. ACTIVITIES

1. Collection and Technical Processing

a. COMINT includes all collection and processing activities conducted under the pertinent provisions of NSCID No. 6.

b. ELINT includes all collection and technical processing activities conducted under the pertinent provisions of NSCID No. 6.

c. RADINT includes *intelligence gained from information collected from frequency energy after processing and analysis* ~~(DOD to supply definition)~~ *collected from radio*

d. ESPIONAGE includes all collection activities conducted under the provisions of NSCID No. 5.

e. OTHER COVERT includes all covert collection activities not covered by the provisions of NSCIDs No. 5 and No. 6.

NOTE: Any sub-activities which are "lumped" under this general heading should be adequately described in a footnote, or, if security considerations require it, simply identified by reference to the basic paper which authorizes their conduct, in the same fashion that NSCIDs No. 5 and 6 are used in connection with ESPIONAGE, COMINT, and ELINT.

f. FOREIGN SERVICE AND ATTACHES includes the over-all cost of the military attache system and that proportion of State's overseas Foreign Service costs that can reasonably be attributed to the collection and reporting of political, economic, cultural, sociological, scientific and technical, and biographic intelligence to meet State's own departmental needs for intelligence and/or its assigned responsibilities for "services of common concern" under the NSCIDs. Collection activities of the Foreign Service and Military attaches are covered by the provisions of NSCID No. 2.

*overt*  
g. OTHER COVERT includes all overt collection activities other than those shown in l.f. above.

NOTE: It may be feasible and desirable to break out certain of these overt collection activities



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These three activities may be sufficiently important in terms of over-all cost and so organized as to make it logical for them to be presented as individual items. Other members of the community may have other activities which should properly be shown as independent items.

GENERAL NOTE: It is contemplated that the following items, shown separately in the old form, will be included as an integral part of the over-all cost of the "Collection" activities shown in paragraph 1, when such activities are conducted in direct support of collection or technical processing and the cost can be reasonably determined or estimated: Research & development, training, communications, requirements coordination, screening and distribution, translation, reference facilities, printing and reproduction, administration, supervision and coordination.

However, it may be that one or more members of the community may have, for example, "reference facilities" and "printing and reproduction" activities centralized in such a way that showing the cost as an individual item under the basic heading of "Production and Dissemination" or under "Basic Support" would present a more realistic picture, from their standpoint, than trying to relate such costs as an integral part of either the collection or the production process or both. In such cases, the agency may list the sub-activity separately under "Auxiliary Activities" and provide a foot-noted explanation of same.

*Warrant* ↑  
Furthermore, the activity entitled "Collection and Technical Processing" has been devised to permit the logical inclusion of the intelligence costs of all NSA operations, as they range from collection of raw information to the technical processing of the material to put it in shape for use by the analysts engaged in the production of finished intelligence. The proposed system would place NSA activities in a more appropriate relationship to the "production" phase of the over-all intelligence process. Many of the collateral and support activities discussed above can be considered as an integral part of the over-all "technical processing" of raw information required to make it ready for use by the producers of finished intelligence.

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2. Production and Dissemination includes the cost of all activities conducted by an agency or its contractors [redacted] to produce and disseminate finished intelligence through the evaluation, analysis, integration and interpretation of the products resulting from the "collection and technical processing" activities listed in paragraph 1. ILLEGIB

If there are "production" activities which are a further and separate step in the production process on which it is possible to identify costs, they might be shown as individual items. For example, there may be a portion of the over-all NIS program which can be treated as a unit where the cost is significant and identifiable in financial terms of dollar cost, and which is an additional step in the basic production process or it may be that the activities of the Office of National Estimates and community activities in direct support thereof should be shown as an independent item under the "Production and Dissemination" grouping. Activities in connection with "current intelligence" may also justify separate treatment.

The "Collection and Technical Processing" activity as used herein is based on the fact that there are intelligence activities which are between the completion of the collection of raw information and initiation of the process of producing finished intelligence, i.e., "technical processing." There are "production activities" which occur after the production of finished intelligence and represent a further refinement of the product, or a special "packaging" of finished intelligence to make it more readily useable by the customer to meet a specific requirement.

a. ARMY INTELLIGENCE includes the production and dissemination of finished intelligence on such matters as organization, equipping order of battle, and logistics of foreign ground forces. In general, it includes that type of finished intelligence for which the Army has the primary production responsibility under the provisions of NSCID No. 3.

b. NAVAL INTELLIGENCE includes the production and dissemination of finished intelligence on such matters as organization, equipping, order of battle and logistics of foreign naval forces. In general, it includes that finished intelligence for which the Navy has the primary production responsibility under the provisions of NSCID No. 3.

c. AIR INTELLIGENCE includes the production and dissemination of finished intelligence on such matters as organization, equipping, order of battle and logistics of foreign air forces. In general, it includes that finished intelligence for which the Air Force has primary production responsibility under the provisions of NSCID No. 3.

d. POLITICAL AND SOCIOLOGICAL INTELLIGENCE includes the production and dissemination of that finished intelligence for which the State Department has the primary production responsibility under the provisions of NSCID No. 3. The following subsidiary types of intelligence production will also be included under this heading: cultural and psychological;

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the latter including, first, intelligence on other government's plans, programs, and media for waging psychological warfare and, second, foreign public opinion polls and studies of the susceptibilities of foreign populations to psychological warfare.

9. ECONOMIC INTELLIGENCE includes the production and dissemination of finished intelligence concerning the potentialities, utilization, and vulnerabilities of a foreign nation's natural and human resources. It includes such subjects as raw materials, manufacturing (including weapons), services, transportation, communications, trade and finance. In general, it includes that finished intelligence for which the State Department and CIA have primary intelligence production responsibility under the provisions of NSCID No. 3. ~~However, it also includes the production by the Army, Navy and Air Force of that economic intelligence which is pertinent to their departmental missions and so recognized by the provisions of NSCID No. 3. Therefore to the extent that such costs are identifiable, such should be separately shown.~~

A. SCIENTIFIC AND TECHNICAL INTELLIGENCE includes the production and dissemination of finished intelligence on:

(1) The progress of foreign scientific research and development, and the achievements resulting therefrom, as it affects the military or economic potential of a nation.

(2) Technical devices, equipment, and specific processes applicable to foreign structures, equipment, or weapons, in being, in production, or under development.

(3) In general, that scientific and technical intelligence for which CIA has primary production responsibility under the provisions of NSCID No. 3. ~~In addition, it includes the production by the Army, Navy and Air Force of that scientific and technical intelligence which is pertinent to their departmental missions and so recognized by the provisions of NSCID No. 3. Therefore, to the extent that such costs are identifiable, such should be separately shown.~~

B. GEOGRAPHIC INTELLIGENCE includes the production, dissemination and cartographic preparation of intelligence on the natural features, i.e., land, sea, and weather of foreign areas. To the extent that such costs are identifiable, such should be separately shown.

(5-2) *produce by Joint Staff, JCS*  
C. CURRENT INTELLIGENCE is that intelligence of all types and forms of immediate interest which is usually disseminated without the delays incident to complete evaluation or interpretation.

D. JOINT INTELLIGENCE is a special category of interdepartmental intelligence jointly produced by the Military Departments in the performance of the assigned missions of the Joint Chiefs of Staff. In general it includes that type of finished intelligence for which the Director for Intelligence, the Joint Staff (JCS) has the primary production responsibility. NSCID 3.

The new format would shape up as shown below:

	Direct Obligations	Indirect Obligations	Total Obligations	Man- Years
1. <u>COLLECTION &amp; TECHNICAL PROCESSING</u>				
a. COMINT				
b. ELINT				
c. RADINT				
d. ESPIONAGE				
*e. OTHER COVERT				
f. FOREIGN SERVICE & Attaches				
*g. OTHER OVERT				
TOTAL COLLECTION				
2. <u>PRODUCTION &amp; DISSEMINATION</u>				
a. Army Intelligence				
b. Naval Intelligence				
c. Air Intelligence				
<i>fa.</i> Political & Sociological Intel.				
<i>ga.</i> Economic Intelligence				
<i>ha.</i> Scientific & Technical Intelligence				
<i>ia.</i> Geographic Intel.				
**j. (Miscellaneous Activities)				
TOTAL PRODUCTION				
3. <i>Auxiliary Activities.</i>				

\*\*Costs for screening & distribution, translation, reference facilities, printing and reproduction, and dissemination may be lumped under this over-all heading if they cannot be readily allocated to the various types of intelligence production.